



Testimony of John Blair, Associate Counsel
Connecticut Business & Industry Association
Labor and Public Employees Committee Public Hearing
February 18th, 2021

Senator Kushner, Representative Porter, Senator Sampson, Representative Arora, members of the Labor and Public Employees Committee, thank you for the opportunity to present testimony today. My name is John Blair, Associate Counsel at the Connecticut Business & Industry Association. CBIA is Connecticut's largest business organization, with thousands of member companies, small and large, representing a diverse range of industries from across the state. Ninety-five percent of our member companies are small businesses, with less than 100 employees.

CBIA opposes [Proposed S.B. No. 660](#) '**AN ACT EXPANDING WORKERS' COMPENSATION BENEFITS FOR MENTAL OR EMOTIONAL IMPAIRMENTS SUFFERED BY ALL WORKERS**'. This proposal would expand workers' compensation coverage to include mental or emotional impairments suffered by all workers.

As you are well aware, the worker's compensation system is a no-fault system, designed as an exclusive remedy for employees. Employers must compensate their employees for work related injuries (through wage replacement and medical benefits) and in exchange employees cannot bring civil action against their employer for damages arising from the injury. This system has been in place in Connecticut since 1913. It provides a stable, predictable system with an efficient disposition of claims.

It should be noted that any disputes resolved through the Workers' Compensation Commission, are done so much more timely and efficiently than would be in any court of law.

In the early 1990's, workers compensation rates were exceedingly high. Premiums were crippling small businesses around the state. In addition, the state's program was running billion dollar unfunded liabilities.

To create a better system, the legislature adopted a series of reforms and measures that resulted in the healthy market we have today. It should be noted that this model from the early 90's, was duplicated by 42 other states. At the time, benefits for mental and emotional injuries were included as part of the system, but the state removed those provisions after complaints about frivolous claims.

As of 2019, workers compensation premiums and rates decreased for six straight years (See, Connecticut Insurance Department, "*Commissioner Approves Decrease in Workers Comp Insurance for Sixth Straight Year*" 2019 Press Release), reflecting not only an ongoing decrease in the number of workplace injuries and claims filed but also reinforcing the carefully crafted reforms put in place in the 90s.

If this proposal is passed it will likely result in a direct financial impact on our state's struggling businesses. The expansion of coverage of workers compensation increases premiums on businesses of all sizes.

This kind of employer mandate would come at a time when businesses can least afford to take on additional costs. Employers, who already are struggling in the midst of the pandemic to stay afloat do not need to incur increased direct costs.

We would respectfully request the committee to take careful consideration of the impact this workers' compensation proposal will have on employers, at this critical time.

Last, CBIA opposes [Proposed H.B No. 5952](#) '**AN ACT ELIMINATING UNDUE DELAY IN PAYMENT OF WORKERS COMPENSATION AWARD**' this proposal assess a penalty of two hundred fifty dollars per day on a losing party in a workers' compensation action when the losing party is found to be in violation of not paying the winning party due to undue delay.

Undue delay in workers compensation has been studied and reviewed over the last several years. Specifically, [Special Act 19-10](#) created a task force to closely review undue delay concerns - '*The Task Force to Study Remedies and Potential Liability for Unreasonably Contested or Delayed Workers Compensation Claims*'. The evidence presented to the task force indicated undue delay is infrequent and, in the rare case that does include undue delay, remedies available under Workers Compensation Act were deemed to address such cases.

I would like to thank the committee for its consideration of my testimony.